

## Message Text

UNCLASSIFIED

PAGE 01 PARIS 21929 01 OF 02 282242Z  
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08  
EA-09 FRB-01 INR-07 IO-14 NEA-10 NSAE-00 USIA-15  
OPIC-06 SP-02 TRSE-00 LAB-04 SIL-01 AGRE-00  
OMB-01 SS-15 OES-07 HUD-02 HEW-06 DOTE-00 NSC-05  
L-03 /135 W  
-----123933 290122Z /73

P 281848Z JUL 77  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC PRIORITY 6342

UNCLAS SECTION 1 OF 2 PARIS 21929

USOECD

PASS: EUR/RPE, OES/EN, HUD/OFFICE OF INTERNATIONAL  
AFFAIRS.

E.O. 11652: N/A  
TAGS: EGEN, SENV, OECD  
SUBJECT: US URBAN PROBLEMS INITIATIVE IN OECD:  
PROGRESS REPORT

REF: (A) PARIS 20192, (B) STATE 167584

1. SUMMARY: ON JULY 20, MISSION OFFICERS CALLED AGAIN  
ON DEPUTY SEC GEN ELDIN TO CONTINUE DISCUSSION REPORTED  
IN REFTEL (A) AND TO REVIEW SUBSTANCE OF REFTEL (B).  
ELDIN REACTED FAVORABLY TO SUGGESTION THAT AMBASSADOR  
DELIVER BRIEF STATEMENT AT JULY 22 COUNCIL MEETING,  
COMMENTED ON REFTEL (B), AND OUTLINED HIS PROPOSED  
RESPONSE. AT COUNCIL MEETING, AMBASSADOR MADE STATEMENT  
CONTAINING ESSENCE OF REFTEL (B), AS PART OF DEBATE ON  
1978 WORK PROGRAM, WITH POSITIVE RESPONSE FROM ELDIN  
AND SEVERAL OTHER DELEGATIONS. PROMISED US SUBSTANTIVE  
PAPER IS GENERATING INTEREST AND IS REGARDED AS ESSEN-  
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PAGE 02 PARIS 21929 01 OF 02 282242Z

TIAL FIRST STEP TO IMPLEMENT US PROPOSAL. END SUMMARY.

2. WE CALLED AGAIN ON DEPUTY SEC GEN ELDIN ON JULY 20 TO  
CONTINUE DIALOGUE REPORTED IN REFTEL (A) AND TO DISCUSS  
SUBSTANCE OF REFTEL (B). RE JULY 22 COUNCIL MEETING, IT  
WAS AGREED THAT US WOULD DELIVER BRIEF STATEMENT OUT-  
LINING GIST OF REFTEL (B) AND WHAT WE WOULD LIKE TO SEE

HAPPEN DURING AND AFTER SUMMER. ELDIN SAID THAT DELEGATION REACTIONS WERE EXPECTED TO BE OF PRELIMINARY NATURE, WITHOUT INSTRUCTIONS. SECRETARIAT WOULD RESPOND THAT WE ALL CONSIDER US REMARKS DURING SUMMER, AND REFLECT ON PROCEDURAL APPROACH PENDING DISTRIBUTION AND STUDY OF SUBSTANTIVE PAPER PROMISED BY US. ELDIN THEN WENT ON TO COMMENT THAT ALTHOUGH REFTEL (B) WAS COUCHED IN VERY BROAD TERMS, IT SEEMED TO EMPHASIZE MAINLY MANAGEMENT ASPECTS OF URBAN CONCERNS, AND, PROBABLY BECAUSE OF ITS OUTLINE NATURE, CONTAINED LITTLE THAT WAS NOT ALREADY IN OECD'S PROGRAM, AT LEAST ON PAPER. HE AGREED, HOWEVER, THAT, EVEN IN ITS BRIEF HEADLINE FORM, REFTEL DID PROPOSE LOOKING AT THESE ISSUES FROM A DIFFERENT AND MORE INTEGRATED VIEWPOINT, WHICH HE FELT NECESSARY IN VIEW OF INCREASED COMPLEXITY RESULTING FROM HORIZONTAL PROLIFERATION OF URBAN-RELATED PROJECTS. HE EXPRESSED CONCERN THAT DISCUSSING MACRO-ECONOMIC PROBLEMS WOULD ESSENTIALLY DUPLICATE WORK OF ECONOMIC POLICY COMMITTEE WITHOUT USEFUL ILLUMINATION OF URBAN PROBLEMS.

3. ELDIN WAS NON-COMMITTAL ON QUESTION OF ADDITIONAL RESOURCES, COMMENTING THAT IT ALL DEPENDED ON REACTIONS OF OTHER COUNTRIES. THE FOCUS OF URBAN CONCERNS VARIES FROM COUNTRY TO COUNTRY, AND IT CAN BE EXPECTED THAT SOME DELEGATIONS WOULD DENY THE EXISTENCE OF SUCH A FOCUS AT THEIR NATIONAL LEVEL. FOR EXAMPLE, SOME MIGHT

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PAGE 03 PARIS 21929 01 OF 02 282242Z

QUESTION IF PUBLIC SAFETY IN CITIES IS A PROPER CONCERN FOR OECD. WITH DIFFERENT DELEGATIONS HAVING DIFFERENT SENSITIVITIES AND DIFFERENT REALITIES, HE THOUGHT IT WOULD PROBABLY BE HARD TO AGREE ON PROGRAM SCOPE.

4. FROM NOW TO ABOUT MAY 1978, ELDIN AGREED THAT WE COULD GATHER INFORMATION FROM VARIOUS COUNTRIES, SET UP THE AD-HOC WORKING GROUP ON URBAN CONCERNS, WRITE A MANDATE, AND TRY TO DECIDE IN SUBSTANCE WHAT OECD CAN AND SHOULD DO, IN ADDITION TO EXISTING WORK IN PROGRESS. THE LATTER QUESTION, WITH SOLID SUBSTANTIVE CONTENT SHOULD CONSTITUTE ESSENCE OF REPORT TO 1978 MINISTERIAL BY AD-HOC WG.

5. COUNCIL MEETING JULY 22. AS SCHEDULED, AMBASSADOR SALZMAN MADE A STATEMENT TO THE COUNCIL DURING THE PRELIMINARY DISCUSSION OF THE 1978 WORK PROGRAM AND BUDGET. HIS STATEMENT, WHICH COVERED THE ESSENTIALS OF REFTEL (B), WAS WELL RECEIVED BY ELDIN, WHO REPLIED THAT THE PROPOSAL WOULD BE STUDIED AS REGARDS BOTH SUBSTANCE AND PROCEDURE IN TERMS OF THE US BACKGROUND PAPER, EXPECTED THIS SUMMER. THE COUNCIL WOULD RETURN TO THIS

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PAGE 01 PARIS 21929 02 OF 02 290051Z  
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P 281848Z JUL 77

FM AMEMBASSY PARIS  
TO SECSTATE WASHDC PRIORITY 6343

UNCLAS SECTION 2 OF 2 PARIS 21929

SUBJECT IN SEPTEMBER, WITH A COVER NOTE FROM THE SEC GEN,  
BACKING UP THE US PAPER AND CONTAINING SUGGESTIONS FOR  
PROCEDURE. HE FURTHER COMMENTED THAT HE SAW AMONG OTHERS  
TWO LOGICAL APPROACHES TO THE AD-HOC GROUP: (1) MAKING  
IT A COUNCIL WORKING GROUP, (2) ASSIGNING THE WORK TO  
THE URBAN GROUP OF THE ENVIRONMENT COMMITTEE, POSSIBLY  
USING THE SECRETARIAT AND OUTSIDE EXPERTS AS BACK UP IN  
EITHER CASE. THERE WAS LITTLE REACTION, WITH A FEW  
SUBSEQUENT COMMENTS BY OTHER DELEGATIONS FAVORABLE IN  
PRINCIPLE TO THE US PROPOSAL, WITH VERY CLEAR INTEREST  
IN RECEIVING THE BACKGROUND PAPER AS GUIDANCE TO  
CAPITALS.

6. MISSION COMMENTS. IT WAS EVIDENT THAT US BACKGROUND  
PAPER PER REFTEL (B) PARAS 6A AND 6B WILL BE THE ESSEN-  
TIAL FIRST STEP TOWARDS IMPLEMENTATION OF THE US  
INITIATIVE. ELDRING AND OTHER DELEGATIONS VISUALIZE INITIA-  
TION OF NEW PROJECTS ONLY AFTER CONSIDERATION OF AD-HOC  
WORKING GROUP REPORT TO 1978 MINISTERIAL, IN VIEW OF  
1978 BUDGETARY RESTRAINTS, AND THE EXPECTED DIFFICULTY OF  
AGREEING ON A MEANINGFULLY EXPANDED PROGRAM. MISSION  
THEREFORE FEELS THAT TO MAINTAIN US INITIATIVE, THE  
SUBSTANTIVE US PAPER TO FOLLOW THIS SUMMER MUST BE  
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PAGE 02 PARIS 21929 02 OF 02 290051Z

SUFFICIENTLY INNOVATIVE TO STIMULATE A POSITIVE HEIGHTENED INTEREST FROM OTHER DELEGATIONS. PROPOSING MERE EXPANSION OF THE SUBJECT MATTER BEYOND EXISTING PROGRAM MIGHT DISSIPATE IMPACT OF THE SECRETARY'S PROPOSAL. WE RECOMMEND, AS BEFORE, THAT THE OECD INSTITUTIONAL ASPECTS BE HANDLED BY THE SEC GEN, WITH LOW-KEY INPUTS BY US MISSION, IN CONSULTATION WITH WASHINGTON. THE QUALITY AND REALISM OF THE US SUBSTANTIVE PAPER, IN OUR VIEW, IS THE PRIMARY DETERMINANT OF THE FUTURE COURSE OF THIS EXERCISE. THE INTERRELATION OF THE ELEMENTS OF THE PROGRAM WITH ONE OTHER AND WITH OECD'S OVERALL ECONOMIC CONCERNS SHOULD BE THE INTEGRATING ELEMENT, AND BE REFLECTED IN SPECIFIC PROJECT PROPOSALS WITH A SIGNIFICANT NATIONAL, EVEN INTERNATIONAL FLAVOR. THE IMPACT OF OUR PAPER WILL DEPEND TO A LARGE EXTENT ON DEMONSTRATING THAT THIS ADMITTEDLY DIFFICULT OBJECTIVE CAN BE ACHIEVED, WITH FORESEEABLE POLICY RESULTS FOR MANY, IF NOT ALL, MEMBER COUNTRIES.

MISSION FINAL COMMENT CONCERNS IMPLICATIONS OF LAST PARAGRAPH OF REFTTEL (B). IF WE PROTECT EXISTING ENVIRONMENT PROGRAMS, THE FUNDING FOR PROPOSED WORKING GROUP, EVEN IF MODEST, MUST BE FOUND ELSEWHERE. IN VIEW OF COMPETITION FOR FUNDS EXPECTED IN FORTHCOMING 1978 BUDGET REVIEW, SECRETARIAT CANNOT REALISTICALLY SUGGEST SOURCES OF ADDITIONAL FUNDING. IF, IN ADDITION, WE VISUALIZE INITIATING NEW PROGRAMS BEFORE WORKING GROUP REPORT TO OECD 1978 MINISTERIAL, THESE INPUTS MUST BE ACTED UPON AT EARLY STAGE OF 1978 BUDGET REVIEW IN NEXT FEW MONTHS. OTHERWISE, THE ONLY ACTIVITY DURING COMING YEAR WOULD BE THE AD-HOC WORKING GROUP AND THE EARLIEST PROGRAM IMPACT WOULD BE IN 1979.

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PAGE 03 PARIS 21929 02 OF 02 290051Z

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## Message Attributes

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**Disposition Approved on Date:**  
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